

~~SECRET~~

COPY 1 OF 2 COPIES

CIA CAREER COUNCIL

43d Meeting

Thursday, 23 May 1957

Room 154, Administration Building

[Additional copies (excerpts) as follows:

25X1A9a

pp. 6 thru 9

pp. 9 thru 12

pp. 12 thru 24

1 copy

1 copy

1 copy

1 copy

1 copy

1 copy]

~~SECRET~~

~~SECRET~~

CIA CAREER COUNCIL

43d Meeting

Thursday, 23 May 1957

Room 154, Administration Building

Present

Gordon M. Stewart Chairman

George G. Carey Alternate DD/I Member

25X1A9a



. Alternate OTR Member

. Alternate OC Member

. Alternate IG Member

. Alternate DD/P Member

Lawrence K. White DD/S Member

25X1A9a



. Executive Secretary

. Reporter

Guests

25X1A9a



. Office of Communications

. Management Staff

. Office of Personnel

~~SECRET~~

~~SECRET~~

. . . . The 43rd meeting of the CIA Career Council convened on Thursday, 23 May 1957, at 3:30 p.m., in Room 154, Administration Building, with Mr. Gordon M. Stewart presiding

MR. STEWART: The meeting will please come to order.

25X1A9a [REDACTED] I thought the Career Council would be interested in these two items that emerged as a result of the last two days we spent with Admiral Connolly on a variety of matters. In connection with our promotion system in the Agency, and rotation, which he was discussing today, he said he reviewed the 25X1A9a papers--I assume in your office [REDACTED] indicating [REDACTED]--on our competitive promotion system or selection system--

MR. CAREY: I think he did it when he was on the Clark Committee.

25X1A9a [REDACTED] He thought it an excellent series of work and as good a paper as one could have on the subject, but he did want to raise one serious item of caution and that was he thought we should be very, very careful not to go too fast on the selection process or the competitive promotion process. He exemplified what he meant by saying that when this was instituted in the Navy they did it first for the rank of Captain to Rear Admiral, and then they gradually brought it down from Commander to Captain, and then about five years went by and they went to Lieutenant Commander, and then gradually farther and farther down, and they discovered the farther down you get the more undesirable the system becomes. They ran into a lot of difficulty on Lieutenants, as far as their files were concerned, because there wasn't much material in them yet indicating what their capacities were. And if a fellow had one single black mark he just got tossed out, because there was no other basis for making an assessment. Admiral Connolly felt that this was grossly unfair, and they succeeded in getting rid of some very able fellows. He said he could see some hazards in this Agency, which is such a young one, because we couldn't possibly have developed a file on the young fellows and their files were rather inadequate, and that we ought to go rather slowly as we bring it down the line. I thought this was worth mentioning here. He was quite firm about it. We spent ten minutes just on this subject, in various ways. Well, I realized we hadn't gotten it down in the scale yet, but I thought it was worth raising his word of caution so we could take a good look at it before we get down too deeply in our system.

~~SECRET~~

25X1A

[REDACTED]'s second item had to do with something which is unrelated to this subject and which is of not such immediate or pertinent importance but he is convinced that when it gets to the point where we have to go to the Hill on our personnel figures, that we ought to get smart, the way the Army and the Navy have, and go up there with overseas figures, departmental figures, and pipeline figures - putting aside those people in training, in hospitals, and what not. And Congress has gotten used to it and Congress thinks it a better way than to make both ends of the T/O look inflated. Well, the wisdom of this might be worth examination. God knows, we have never been in this position yet but we almost were this year, and might be at any time. So I thought I'd like to invite that to your attention so you could take a look at it.

COLONEL WHITE: I think this paper today is very responsive to that point.

MR. STEWART: Yes, very definitely.

[REDACTED] That was all I had. Thank you.

25X1A9a

MR. STEWART: Right. I appreciate that.

MR. CAREY: This was Admiral Connolly?

25X1A9a

[REDACTED] Yes. This was in the last two days.

MR. STEWART: Since the principal purpose of this meeting is the last item on the agenda, I would like, if possible, to move through the first several items rather rapidly. None of them are matters that require long deliberation, in my opinion, by the Council.

The first item is the minutes of the 42nd meeting. Is there a motion that they be approved as submitted?

COLONEL WHITE: I move they be approved.

[REDACTED] They're okay.

25X1A9a

MR. STEWART: All right, unless there is a dissent we will pass on, then, to the second item, which is a paper dated 8 April 1957, subject: Awards to Federal Employees for Outstanding Service.

Colonel White suggested that we just bring this one up once more for a look before we go ahead with it, and I suggest that, Red, you might want to make one or two comments about it.

COLONEL WHITE: Well, I note that, of course, the participation in these things is permissive rather than mandatory, but it seems to me that, first

~~SECRET~~

of all, if we are going to put anybody in competition with people in other Government agencies for any of these awards, we are going to have to push it, and we are going to have to come up with a lot of evidence as to what this fellow has been doing and why we think he is outstanding to receive one of these awards. And if we are going to go to all that trouble it seems to me that we would want to have the best man or the best men in the Agency competing for these. And, in the first place, there is a very substantial part of the Agency which could not possibly compete in any of these without destroying their general utility for service in any sort of a cover arrangement. And then the other point, which is related, is that you must recognize that anyone who participates in any one of these is forever lost as far as his utility in the Clandestine Services is concerned. And the type of people that it seems to me we would want to participate in this are the younger people who are "comers"--and we're pushing them out into the limelight long before they have gotten to a position where their field should be narrowed. And it would seem to me it would be to our interest, if they are really outstanding people we would want to get them into jobs where they would render outstanding service, and by publicizing them this way we are putting them in a position where their utility is very limited.

So just as a matter of general principle I am opposed to the basic idea of the thing. This paper as such is permissive and not mandatory, but I just don't like the idea.

25X1A9a

Red, this paper [indicating memo addressed to Chairman, Career Council, dated 20 June 1956, from the DDCI, Subject: Public Recognition for Federal Employees Through Awards Granted by non-Federal Organizations, Reference: U. S. Civil Service Commission Departmental Circular No. 849, subject as above, 3 April 1956] has not been distributed.

. . . Off the record . . .

25X1A9a

Red, in connection with the Rockefeller Public Service Awards, Mr. Dulles told Mr. Dodds that we would participate, and you [Colonel White] concurred in that reply. So we have, in respect to one of these, already said that we will participate if we have the right kind of a candidate. We are not bound to submit a candidate.

COLONEL WHITE: I interpreted the letter from Mr. Dodds as being something

~~SECRET~~

~~SECRET~~

to which the Director had to reply.

25X1A9a

[REDACTED] Heretofore he has said we could not participate, but this time he has said that we would, and his letter and Mr. Dodds' letter are in this file also. I don't think this is a shotgun proposition--

COLONEL WHITE: I don't feel embarrassed about that. I think we as a Council--and I know the Director would feel the same way--that despite the fact that he has signed that letter to Mr. Dodds, and despite the fact that we have that letter from General Cabell, if we sincerely believe that this is wrong, I think he would expect us to say so. So I don't feel embarrassed about saying so, or being the only one to say so, for that matter.

MR. STEWART: I certainly go along with the position you [Colonel White] take on this. I felt when this paper came through that we were somehow or other obligated to go ahead with it, but I have no enthusiasm at all for it.

[REDACTED] It certainly would be an inequitable situation if the large part of the Agency is stopped from participating, but it seems a shame that the total body of employees should be deprived of the opportunity to participate.

25X1A9a

[REDACTED] Could I drop a piece of philosophy on the table? I think because certain people will be stopped from it, is not an inequity. That is an inherent problem of working in the Clandestine Services. I don't think, for example, that when we nominate persons to the National War College we are saying, "This is the best man." We are saying, "This is a good man" - but he is not necessarily the best man.

25X1A9a

COLONEL WHITE: But we do a lot of talking, Rud, and General Cabell does as much if not more than anyone else that I know of, to the effect that we are trying to become a more homogeneous Agency, and to have more cross-fertilization and general utility and Agency esprit rather than component esprit. And it seems to me this is not the way to develop that.

[REDACTED] I don't want to prolong this but I notice the DD/P has concurred in it and therefore I am really asking for information. What is it these awards and opportunities give that the Agency can't give its own employees if it chooses to do so?

25X1A9a

MR. STEWART: Publicity.

[REDACTED] Why don't we cork the thing off, then? I mean, we can give them awards if they do outstanding jobs. We can send them to college for a year--

25X1A9a

~~SECRET~~

~~SECRET~~

25X1A9a [REDACTED] It's the public recognition, there is no question about it. And, as General Cabell points out, there is the element of prestige for the Agency, but I think that is another matter.

25X1A9a [REDACTED] Well, I don't see the FBI getting these awards.

25X1A9a MR. STEWART: [REDACTED] had one of his men up for an award at the Civil Service affair recently, and he was a DD/I type, really, an analyst, but I didn't feel that the intelligence business gained much by that. There wasn't very much you could say about what he had done, and from what was said it sounded to me, at least, like a lot of other people had done about the same thing. I don't think you make it stick very well in a public presentation in front of 800 people--about the largest dinner I ever attended.

25X1A9a [REDACTED] Mr. Amory has felt this would be useful in the DD/I, and has said so at our Council table. But your point [indicating Colonel White] of homogeneity in the Agency is another question which should be balanced against that, it seems to me.

MR. CAREY: No - my instructions were that he thinks it might be of some benefit to some of the people in the DD/I, but he is not red hot for it nor red hot against it, but he thinks it would be of value to certain elements of the DD/I as recognition they can't get. Everybody knows CIA can't get any public recognition for anything.

MR. STEWART: I think if we do it at all one thing we want to avoid is a frantic effort to get candidates for all of these annually. I think there is no need for that. And we might, if need be, change our recommendations or qualify the recommendations made here, and get it agreed to by the people who signed off, to the effect that these programs will be announced annually when they come up and that it will be entirely up to the Deputy Directors whether they want to come forward with candidates, but there will be no canvassing.

25X1A9a [REDACTED] It doesn't need to be announced to the whole Agency, simply to the Deputies.

MR. STEWART: Simply to the Deputies, and if somebody has by chance the right guy for one of these things and if it's then agreed he should get it, why fine.

One of the things, Red, about the Civil Service award, it's given in a number of cases to people quite advanced in years who are coming to the

~~SECRET~~

close of their service, and who are thereby honored in front of God and everybody. They had one for a man who ran the motor pool in the Post Office.

[REDACTED] I would say the average age of those people was over 50. 25X1A9a

COLONEL WHITE: Why don't we transmit this to the Director in the form that Gordon has it here, with a little amplification--if I sense the consensus of opinion here--that there are some reservations but there is no reason why it can't be permissive, if anybody has a candidate who happens to meet the particular requirements. 25X1A9a

[REDACTED] Does this Council get a chance to examine the candidates?

MR. STEWART: That is written in here, yes. 25X1A9a

[REDACTED] I think that is a good stopgap. We can kill them all here.

[Laughter]

MR. STEWART: All right.

Then let's move on to the third point which is included here for your information and for any comments or guidance that you may wish to offer. Reading over these two letters, both signed by Harris Ellsworth and saying very different things, I derive the following questions which might be useful to answer and get an opinion. Now the first is, should we go ahead for separate legislation? You gather that the Civil Service Commission is very eager that we not go ahead for CIA legislation but that legislation be developed for all overseas people, and suggesting to the Bureau of the Budget that they call a group together to discuss this. The second question I have is, would we want to include in our legislation the provision made in the White House letter that we will permit them to retire on full annuities in event of involuntary separation. Now we have it entirely on the basis of voluntary separation. He suggests in this letter that we go ahead with voluntary separation. It struck me that in working over our legislation we might want to consider including a provision for involuntary separation. Those were the two questions I had on this.

25X1A9a [REDACTED] Gordon, could I shed some light on our discussions with

25X1A9a [REDACTED] In the first place, the May 9th letter was prepared by the Civil Service Commission for Mr. Ellsworth's signature as Chairman of the Commission; the May 13th letter was prepared by the White House for his signature in his capacity as advisor on personnel matters to the White House.

~~SECRET~~

So Mr. Ellsworth of the White House has placed Mr. Ellsworth of the Civil Service Commission, in a sense, on the spot. The White House letter was drafted by Joe Winslow, who is a staff officer who has continuity on personnel matters for the White House through the changes in Civil Service administration, the DuFlon Committee, and all that sort of thing. He is saying, from a White House vantage point, that they will support our getting exactly what the Foreign Service has--at the bottom of page 1 of the May 13th letter - age 50 with 20 years' total service, retirement at full annuity computed at the 2% rate. What this amounts to is that we would be exchanging a straight 2% rate across the board in place of our credit for overseas service. If I could explain briefly, in the first five years a person earns $1\frac{1}{2}\%$ Civil Service-wise; in the second 5 years he earns $1\frac{3}{4}\%$; and after 10 years he then earns 2%. The Foreign Service earns 2% from the beginning. Therefore, in place of our following the staggered rate of percent earning that the Civil Service has and then superimposing on top of that credit for overseas service, the White House is proposing that we have a straight Foreign Service retirement formula, which, you will recall from the tables we looked at, up to eight years overseas service means that both formulas are equated together; in other words, our tables according to our formula, up to a total of 8 years' service, provide the same kind of take-home annuity that the Foreign Service does. The formulas are different but the goals are the same. Do you see what I mean? Therefore, they are proposing that instead of this more complex formula which we have devised, that we have the straight Foreign Service formula. As they point out, above eight years we would then not be getting more than the Foreign Service, which we admit our formula does. Above the 8-years-of service point, our formula provides larger take-home pay than the Foreign Service. We recognized that at the time but we also recognized that very few of our people would have eight years' overseas service. But we can't convince the Bureau of the Budget or the White House, or anybody, that from a long-range point of view none of our people will have more than eight years' overseas service, and undoubtedly 20 years from now there will be somebody who has more than eight, and right now we have a couple who have seven and a half, or something like that.

25X1A9a It is [REDACTED] belief that we have within our grasp the approval, from the Bureau of the Budget and the White House and the Civil Service Commission, for a formula which would give us the Foreign Service benefits, and

~~SECRET~~

~~SECRET~~

that whether the legislation goes to the Congress now or not, now is the strategic moment to get them all to sign off. So even if we don't send legislation to Congress now it could be all signed, sealed, and ready to be delivered two years, or what not, from now. So, therefore, he has already asked the Bureau of the Budget to bring the warring parties, the White House, Civil Service, Budget, and ourselves, together, so that the Bureau of the Budget, the White House, and CIA, can convince the Civil Service that this Foreign Service formula is something that would be equitable to us and not inequitable to the rest of Government.

MR. CAREY: Suppose we got this through, it wouldn't prevent us from trying to get something else through later?

COLONEL WHITE: I think the important thing is that we aren't going to get to first base until we do get this group to agree.

25X1A9a

[REDACTED] We won't get to first base until they agree; and, second, we won't get to first base unless we admit we should not have more than anybody else in Government; in other words, if we agree we are not entitled to more than the Foreign Service is, we can get somewhere, but if we press to get more than anybody else we may get them to examine it but they will never agree.

COLONEL WHITE: They won't examine it through--

25X1A9a

[REDACTED] The White House is offering us the Foreign Service formula and I think we should grab it and get it signed off now, if possible. That is my personal view, and Norm's, too.

COLONEL WHITE: Mine, too.

25X1A9a

[REDACTED] Therefore the only action the Council need take is to authorize us to continue to negotiate along that line, if the Council wishes us to.

MR. STEWART: There seems to be very little dissent.

25X1A9a

[REDACTED] There is very little choice on it.

MR. STEWART: I do want to raise the question, though, whether we want to ask Norman to get the involuntary clause up for consideration, at least, and see what can be done.

COLONEL WHITE: I think you should get it up for consideration.

25X1A9a

[REDACTED] The involuntary retirement is for over the age of 50, is it not?

~~SECRET~~

~~SECRET~~

25X1A9a [REDACTED] Under the present Civil Service system involuntary retirement prior to age 60 means that you reduce the annuity by 1/2 of 1%, and then under 55 it's 1% per year, which means that on an involuntary retirement at age 50 or age 49, there is not much left for the guy to take home.

25X1A9a [REDACTED] Does that apply to the Foreign Service?

[REDACTED] No. I can't say whether the Foreign Service has involuntary retirement.

25X1A9a [REDACTED] Does the Foreign Service have provision for involuntary retirement?

25X1A9a [REDACTED] I'm sure the Foreign Service has that authority. I think it's used very seldom but it's useful to have that.

25X1A9a [REDACTED] It's involuntary retirement but not for cause; in other words, if the job has been abolished--

MR. STEWART: This is a selection-out procedure.

25X1A9a [REDACTED] (continuing): --this is a selection-out procedure; in other words, if you select out a man at 52 then he involuntarily retires but gets a fair equity at the time.

MR. STEWART: I think it would be useful to have.

25X1A9a [REDACTED] This would provide an excellent base for a selection-out procedure

[REDACTED] It doesn't hurt anything to have it and it might be useful.

MR. STEWART: We can't legally get them to retire until they're 70, with 15 years' service.

25X1A9a [REDACTED] We can involuntarily retire them now but they get such a small annuity that it's not enough to live on.

25X1A9a [REDACTED] Is there any opposition by the Bureau of the Budget to the involuntary retirement?

MR. STEWART: It hasn't been discussed with them. I am suggesting that when we do go to the Bureau that we raise that point as a possibility.

Then could we go to item 4, the proposed changes in procedure in applying for membership in the Career Staff. This is a very simple one, which Rud can explain.

25X1A9a [REDACTED] This was stimulated by conversations I had with Mr.

~~SECRET~~

James Barker who was visiting CIA on behalf of the Killian Committee. In briefing Mr. Barker about the Career Staff system, and so on, he put his finger on one of the problems which we know we have had, namely, that a person had to either apply for membership in the Career Staff or say why he did not wish to apply. In other words, three years ago we adopted this procedure, as a calculated risk, that a person had to "stand up and be counted." There has been--and I use the word advisedly and not exactly humorously but in sort of a colloquial sense--sort of an element of blackmail in this, that you had to say something "or else." As you know, there is a delinquent list of about 50 people who have not applied, and some of them we know are not intending to apply; in other words, they have violated the spirit of the regulation because they don't ideologically believe in it.

Mr. Dulles and Mr. Kirkpatrick joined [REDACTED] and myself just 25X1A as we were completing this discussion, and Mr. Dulles said, "Well, I think that should be put on the agenda of the Career Council, and I wish you would discuss it." In essence, what we are doing, then--since we now do have a Career Staff and since we are no longer apprehensive as to whether 40 or 90 or 30 percent of the Agency is going to apply for this - they already have, and, as I say, maybe they have been forced into it in some instances--in essence, then, we are making it completely voluntary as to whether a person applies for membership in the Career Staff or not, and no onus is attached to him for not applying for membership. He would not get any of the benefits unless he did become a member, but that is his business. For example, take the language incentive program, if a man becomes eligible and does not apply when he is notified that he is eligible for membership in the Career Staff--if he does not apply he would then not be eligible for the language incentive awards. That is, in essence, what we are doing. We found over the past three years that this requiring a memorandum of reply as to why an individual did not wish to become a member of the Career Staff really served no useful purpose, you did not get to the real root of the problem. A number of overly conscientious people signed such memoranda and we found we had to go back to them and explain they were really overly conscientious, and this was not the intent. So we got a sort of random sample of persons who said they did not wish to become members of the Career Staff when they really did and were entitled to according to the groundrules, and we got other persons who did apply, perhaps with their tongues in their cheeks, as we discussed last time in connection

~~SECRET~~

with the directed assignment situation. This proposition makes it entirely optional with the individual as to whether he becomes a member of the Career Staff or not, and once he becomes eligible he could sign his application whenever he wishes to. We will eliminate a great deal of extra paper work and a great deal of what I really believe is "spinning the wheels" in trying to follow up on some of these cases that get scattered all over the world and you just can't ever reach the solution to them. I think this is an improvement in our system.

[REDACTED] Okay by me.

25X1A9a

[REDACTED] We certainly agree.

[REDACTED] This will eliminate the list that you and I talked about.

You remember we have carried a category of "declined." Instead of a category of "declined" from now on it would be "persons eligible but have not applied."

MR. CAREY: Would that be a Category D or no category?

25X1A9a

[REDACTED] It will be a category of persons who have had the opportunity to become members but who have not signified their intention yet.

25X1A9a

[REDACTED] Rud, by the terms of this you are not actually removing the onus, because you say here that the Agency records will be documented to that effect.

25X1A9a

[REDACTED] That has to be done, because we have said, for example, in the language regulation, that if you are not a member of the Career Staff when eligible, you are not eligible for the money. You see what I mean?

25X1A9a

[REDACTED] But it still has the same amount of pressure in it that the original system did.

25X1A9a

[REDACTED] For an individual to sit down and write a memorandum to the Director saying why he does not want to become a member is quite a hazard, and it serves no useful purpose because you don't get at the bottom of the problem, because it comes out completely wishy-washy, and no purpose has ever been served by those memoranda.

25X1A9a

MR. CAREY: I think it's a good idea.

[REDACTED] Would you still go back to people who don't apply to try to flush out their reasons? I'm thinking of the over-conscientious type who did not apply originally and put in memoranda to the effect they did not wish to apply because of so and so. I believe that was one value served by this, you

~~SECRET~~

did catch some people who did not apply for what we consider the wrong reasons.

25X1A9a

[REDACTED] I think that day has pretty well passed. This was a question of picking up all the people on the payroll. Most of them now would be new ones, and if they're not interested in finding out what the rules are and what their rights and benefits are, it doesn't seem to me we need to encourage them any more than they have been encouraged already. I grant your problem but I think the problem has already been eliminated.

25X1A9a

[REDACTED] That was a helpful benefit.

[REDACTED] You say that if the application has not been returned in 90 days you will assume the employee does not wish to apply. Now some people are going to be awfully far away, and in some cases the notification may not have reached the individual.

MR. CAREY: They can still apply at any time.

25X1A9a

[REDACTED] But in the meantime his file would be documented that he did not wish to apply.

25X1A9a

[REDACTED] I don't know how you are going to handle your language development bonus if we don't do that.

25X1A9a

[REDACTED] We just have to assume communication will take place within 90 days.

25X1A9a

[REDACTED] We have individuals to whom we have sent as many as ten applications in an effort to get them to sign it.

MR. STEWART: It's a waste of time.

25X1A9a

[REDACTED] And it gets us nowhere.

MR. STEWART: Shall we move to the next item?

25X1A9a

[REDACTED] May I make one suggestion, Gordon, that we follow the procedure on coordination of this regulation--this is a change to a regulation--which the Council agreed to in November?

COLONEL WHITE: Yes.

MR. STEWART: The next item is the Staffing/Development Complement.

25X1A9a

[REDACTED] will make the presentation of this paper, and [REDACTED] will then explain some of the mechanics, and he has a few pieces of paper which I think will be very helpful to you in understanding how this actually works out. This does come very close to establishing a "pipeline" category, [REDACTED] I hadn't thought of it in those terms but it is, in fact, a "pipeline."

25X1A9a

25X1A9a

~~SECRET~~

. . . [REDACTED] joined the meeting . . .

25X1A9a

MR. STEWART: All right, John, you have already been announced properly.

25X1A9a [REDACTED] We want to talk about manpower control techniques. I'd like to deal with principles and policy, and my two helpers, [REDACTED] from 25X1A9a Personnel and [REDACTED] from Communications, will pick up and put flesh on the bones.

Now, I'd like to indulge in a little preamble first which should be useful to you in consideration of these two things we want to talk about particularly. There are three methods of manpower control: one is dollars, another is ceiling, and the third is T/O or sometimes called "staffing pattern"-- and that is all. Sometimes one sees a combination. That is true in industry, in business, and United States Government and New York State Government. Here in town, State has dollars and T/O; National Security Agency has ceiling; Atomic Energy has dollars and nothing else - that is all they have; Navy Department has dollars and ceiling; Post Office has dollars, ceiling, and T/O (and they also have a management staff, just like us); Civil Service Commission has dollars only; Internal Revenue, ceiling and dollars, with a considerable latitude for the manager to do as he pleases on the T/O. Commonly there is much more latitude given to the manager, and by "manager" I mean Division Chief, Office Head, AD, Staff Chief--so when I say "manager" that is what I mean--considerable more leeway, all over the world, than we have. In contrast, I would put it this way: it seems to me that here we don't trust anybody. I think there is nothing more absurd than when George Carey wants to transfer somebody from [REDACTED] 25X1A6a 25X1A6a

[REDACTED] he has to write me a paper, then I have to give it great deliberation, and then I write another paper, which used to go to the DD/S, but George can't move that man until I say so. What is more silly than that?

We have in this Agency a thing called a T/O, which you are all familiar with. It is without doubt the most rigid, inflexible, and costly mechanism that I have ever seen. It was brought in here from the Army. The Army concept of a T/O is being used quite differently from the way we have it here, and their philosophy is that of the T/O as a cadre, and they build up and down on the basis of this cadre. So we took that concept in here and have constructed

~~SECRET~~

~~SECRET~~

the most rigid thing that I have ever seen, and it costs us like the devil. Nobody has challenged it, and I propose to do so.

It's amusing that only yesterday I picked up the Harvard Business Review, and here a principal officer in a big chemical company deals with the question of delegation of authority. One of his sentences is: "We have come across some circumstances where a manager is given authority to spend hundreds of thousands of dollars for materiel but he can't create one \$3600 clerk." And he asks why? You can't do it here, either.

Now these two concepts are so compatible that in my view they should go together, but these two concepts originated in my mind back in the days when I was working for [REDACTED] and Frank Wisner, because I saw within the DD/P some things that I am now describing as costly and inflexible and rigid, and completely non-trusting of the senior officer. So in my ingenuous way of looking at life, is the guy over 21 or isn't he? Why don't we trust him? We can't do it under the T/O system we have. 25X1A9a

It took me a long time to do something about it but finally I composed a staff paper and gave it to the DD/S in 1955. The DD/S agreed in principle and suggested we [Management Staff and Office of Personnel] take it to the Career Council. So we brought one part of it into this Council. The Council

25X1A9a approved of its trial run, and [REDACTED] very kindly volunteered to be the guinea pig. We are going to report to you today on that performance - how the thing worked out. It has been one year that this has been in Commo, and Gen-

25X1A9a eral [REDACTED] did not want to report previously because he was having ceiling troubles and he wanted to get his manning up closer to his ceiling so they had a fuller application of the concept. Now, the Council had approved of Commo trying out on a trial-run basis just the so-called "Development Complement," but when Commo came to do it they found that the Development Complement and the flexibility feature were so close that they could do both. So they put both in and worked them out. This was done by Management Staff, the Office of Personnel, and the

25X1A9a Office of Communications-[REDACTED] principally, as Deputy of the Administrative Staff of Commo. We will tell you about this process, but you should know that the whole concept of the staff paper was put into Commo and developed. Commo reports favorably on the trial run and advocates its continuance. And we propose-- the Director of Personnel and I--that we extend the two to the Agency on a tailored

~~SECRET~~

basis. I mention the word "tailored" because the application has to be different. In some cases there would be no need for a Development Complement, notably in some places in the DD/I. The DD/P has the worst problem, and it's going to call for some very careful study.

Now, in summary, basically the philosophy is to get away from this rigidity that we have, with due and proper protection--all under ceiling and all under dollars--and give the operator the break, like Commo has. More specifically, what I am talking about--and I think in not more than two minutes I can tell you what it is without going into the details, which will follow in the coordination of the new manpower regulation, [REDACTED] now almost ready. We have not presumed too much, I think, on your approval, but we are ready to move.

Part I is the flexibility feature, flexibility for the operator to move his people, all within ceiling and all within proper PED position evaluation control, without the rigidities and without any control danger. The principal significance in the concept of flexibility in manpower utilization is a true work burden T/O, not a T/O reflecting dozens, and in some cases, as I have seen, hundreds of positions which have been misused. Then, within such properly drawn T/O's the objective is to provide substantial freedom for the operating officials to shift people and positions in order to meet a change in the work burden, all under dollars and ceiling. Thus you see I am proposing for you here that the Agency adopt ceiling as a technique of control and under it a work burden T/O which is really an expression of your needs to accomplish your work, but, going along with it, the freedom to shift in the fashion that Commo developed during this past year, and I want [REDACTED] to do that detailed explanation in 25X1A9a a minute.

Then in the second part the concept is simple: It is the formulation of a third personnel accounting category. You can call it a "pool" but we didn't like the word "pool" because it has an unhappy inference in it here, so we picked up the most euphonious words we could think of and called it the "Development Complement." Commo had done this previously with the "Rotation Re-assignment category" - the RR. This concept is a means by which you can preserve the work burden T/O. You can't possibly do so unless you have a third category--which is not a T/O, let me call it a "pool" - into which you can put these people who do not contribute to work burden. You therefore have a clean headquarters

~~SECRET~~

T/O and a clean field T/O, and nobody who isn't contributing on the job to discharge the work burden gets in either one. The returnee home or the people who are in training for indefinite periods, that is where they go. It is, of course, a mechanism, and, I might as well be frank with you, a suspense account, and part of the design is to give proper opportunity to see and control the "wanderers" - so that you get better personnel accounting. It's highlighting the fact that an individual hasn't got a job or he hasn't got a job because you haven't moved him. So [REDACTED] can once a month know how long John Jones has been held in suspense because no place could be found for him. He shows up on this simple report.

We have now a report from the Office of Personnel that lists the in- and out-casuals by total, but it hasn't any dollars in it and it's pretty hard to use a theoretical concept.

Well, that is it. I told you what the recommendation would be, that we go ahead and tailor it for the rest of the Agency. But before we do that I think maybe you ought to hear [REDACTED] and the Office of Communications' representative in respect to what has been done successfully in Commo.

[REDACTED] After that introduction some of you may think you won't have a table of organization next year. That is not the case. Our changes aren't quite that revolutionary. They are substantial, however, and I believe they can best be explained through a review of three exhibits, two of which are tied in with the Commo test run and the third of which attempts to show what might happen in the Deputy Director of Plans' unit.

If we could refer to Tab 1, to begin with, this is a brief case history of a situation encountered a few months ago by the Office of Communications at the time the [REDACTED] Signal Center had to be beefed up due to the folding up of [REDACTED]. To begin with, at the beginning of the test run, 1 April 1956, Commo planned in their original planning paper to have a Commo Specialist, who was head of the Station, two Commo Tech Supervisors - Grade 9, two grade 8, and 4 Commo Tech Crypts in Grade 7. In the initial T/O listing you will note we specified by numbers the supervisory jobs; the working level GS-7 job is denoted only by an asterisk. That is what we have termed a "flexible" position, which means normal expansion would probably take place first at the working level. Then along came the necessity to increase that Station. Commo had

~~SECRET~~

25X1A6a

available six additional Commo Tech Crypts, GS-7's, from the [REDACTED] that was being folded up, whom they needed transferred immediately to [REDACTED] 25X1A6a

This took place without any T/O change, merely by submitting personnel actions. They were shifted then to [REDACTED] in the flexible jobs. Because they increased 25X1A6a

the working force they had to add two additional supervisory jobs. At that level the jobs were processed through Management and normal classification review channels, since the positions were not designated originally as "unlimited," they were what we called "limited" jobs. However, I will say--and I believe Commo will concur in this--that this exercise took place very quickly and with much less paper than would previously have been the case. Your "limited" positions would consist of key supervisory and that type of position, whose grade might depend on the organizational structure or where it was located, or positions that are "one of a kind," as we call them. The "flexible position," on the other hand, would consist of working level jobs, as in the case [REDACTED] pre- 25X1A6a

sented of Contact Division, where your grade 13-and-below Contact Officers would be designated as "flexible positions" on the T/O of [REDACTED] and 25X1A6a

you could transfer people between those two stations freely merely by use of a personnel action.

Are there any questions?

25X1A9a [REDACTED] For a group of such flexible positions would you have but one job sheet?

25X1A9a [REDACTED] Yes. That eliminates some complications and details we had in the past.

25X1A9a [REDACTED] Bob, are you incorporating into this any flexibility in grade, as, for example, on your test case here, you have established the senior man there as a GS-11 on the basis of his responsibilities plus the supervision. When this was extended to some 16 or more, the grade didn't change. Isn't it logical to assume he has greater responsibilities, plus greater administrative responsibilities?

25X1A9a [REDACTED] Yes, there is a range which is covered by the GS-11, and when it reaches a point it could be upgraded.

25X1A9a [REDACTED] Without going through the present system?

[REDACTED] Without going through the present system.

I might mention we have had some conversations with Commo to set

~~SECRET~~

~~SECRET~~

up a prototype of Commo stations, a 12-man station, a 3-man station, etc., sort of an advance approval, and if your station shifted from a small one to a large one you would have a T/O that could probably be put in.

25X1A9a [REDACTED] I might point out this specific example, that the GS-11 on the right-hand side was justified not solely by the supervision given but by additional duties that were performed by that individual. When the [REDACTED] Station 25X1A6a increased its T/O into it went more people of other categories, and they took away from this individual the other functions he was performing, so in effect there was a decrease in outside functions which normally would have brought the grade down to the 9 level but because of the staff level it brought it back up to the 11, so there was an 11 to a 9 to an 11 shift.

25X1A9a [REDACTED] Some of his responsibilities were taken over by the other two "limited position" types which were added to the Station. 25X1A6a

25X1A9a [REDACTED] We had a Security Officer in [REDACTED] and this GS-11 specialist did some of that security work. When we folded the 25X1A6a [REDACTED] the Security Officer went back to [REDACTED] therefore he became a GS-9; and then because of the increase in staffing pattern he went back up to 11. This did occur.

25X1A9a [REDACTED] It was a simultaneous shift of responsibilities but the grade level was still the same.

25X1A9a [REDACTED]: Any more questions on this first example? [No response.]

On Tab 2 you have a summary of where Commo stands today in terms of the various categories of positions, where they're limited to one of a type or limited to two or three, in cases of Section or Branch Chiefs. We have [REDACTED] 25X9A2 T/O entries. The incumbency limitation, where some can be occupied by two or 25X9A2

[REDACTED]

Here you will note the term "supplemental position" appears for the first time. I will briefly try to explain "supplemental" jobs. These are jobs that Commo felt they might have to activate during the next year but there was a degree of uncertainty on it. I might cite a case: for example, they may 25X1A6a feel they might need an Elint specialist in [REDACTED] but there were lots of questions

~~SECRET~~

~~SECRET~~

about whether they could get proper cover for them or whether the program would be agreed on. However, if everything was signed off they would want to send the man there quickly. So they might have put in a request in that particular Station for this what we call "supplemental position." It's an alternate job which they would get approved in advance from Management and Personnel.

25X9

You will note here that the Development Complement, which Mr.

25X1A9a

██████████ has spoken about, has now ██████████ in it, or approximately ██████████ of the 25X9A2 Commo strength. I think that is quite consistent with a lot of studies of the Department of State and elsewhere. Commo now has ██████████ training and other types 25X9 of situations.

Is that about the average?

25X1A9a

It has come up from lower than that, has it not, Joe?

██████████ Actually, it's a moveable thing. If there isn't a strong recruitment effort, then the number of people in this Development Complement declines, and seasonally if recruitment effort slacks off and people complete processing for overseas, it comes down. But we hit what we think would be an average incumbency of that type to go in there. It's not as high ██████████ but 25X9 that's a good figure, nonetheless.

25X1A9a

MR. CAREY: And you had no ceiling category whatsoever?

██████████ There will be a ceiling, and we will go into that on the next exhibit, which includes the ceiling controls. The ceiling will include the sum of the Development Complement plus the Staffing Complement in the case of Commo, where the Head of the Career Service and the Operating Official is the same.

Let's move to Tab 3. I'd like to go into the relationship and development of a planning paper to the flexible T/O. The planning paper is, roughly, the equivalent of your current table of organization. It's what you believe you need at the time that you put in the T/O request. In this sample, starting from the Staffing Complement planning paper--you will note that the limited positions, beginning with the Division Chief, GS-18, are indicated by parentheses around the number. We have one secretary, GS-9. And then below that you will note there is a clerk-steno, GS-6, with a zero by it. This means that the office felt that during the year they most likely would need a steno but they did not want to budget or plan for it against their ceiling, to begin with.

~~SECRET~~

~~SECRET~~

They did, however, in this case get approval from Personnel and Management to establish that position when and if they needed it. That would be a "Supplemental" position. Going down the line to Branch I, the first three jobs there are "limited." You will notice the Section Chief is limited to three individuals. The next job, 12 intelligence officers, GS-12, is a "flexible" position. Following across to the next column, Flexible T/O, you will note an asterisk, which indicates the intelligence officer, GS-12, is flexible. In summary, this means you would plan for 12 but with a flexible T/O you may have any number that are needed--

25X1A9a [REDACTED] Provided you are under ceiling.

[REDACTED] continuing): --provided the ceiling is met. There is one additional control - the Office of Personnel will provide guidelines indicating the grade level for various types of jobs. This will be done by standard-type descriptions rather than the individual ones we have had in the past. That will cut down some paper.

Moving down to the bottom of Branch I, we have a reports officer, GS-11, another "supplemental" position, which was approved by all concerned and which may be activated when we need it.

The same procedure applies to the Field Station, where we have estimated the requirements for which we would budget in terms of numbers and types of jobs. The actual paper which will be issued, however, will be the flexible T/O - the column on the right. There is a total of [REDACTED] positions in this Staffing Complement. That is the number that we expect will be required to do the work burden for this part of the mission. This means each one of the [REDACTED] positions will be an active one, and that people will go from these to the Development Complement positions when they are in training. 25X9 25X9

On the next page we have made an adjustment. Our estimate showed we need about 14 people in the Development Complement. Item III here, the Grade Authorization Table, is a control used by and for budget. The grade distribution is based on the planning paper, the limited and the flexible positions. It is merely a total by GS grades of what we planned for and what we budgeted for. For the Development Complement we presume that the average grade will be a good base to budget for the number of positions you feel would be necessary in the Development Complement. Ceiling, then, in the case of Commo, is comprised of the

~~SECRET~~

number of positions in the Staffing Complement plus those in the Development Complement, and Commo was able to shift ceiling from one to another as they saw fit, through use of the flexible positions.

25X1A9a [REDACTED] And by means of a personnel action, no T/O change.
Right.

To go back to page 1 on this Tab 3, it is possible to shift people from a grade 11 job to a grade 12 job if both are flexible positions, providing the requirements are met, which is a degree of delegation to the Operating Official of classification responsibility. He must, however, keep within the overall grade authorization.

25X1A9a [REDACTED] I would say this was a great step forward.
If ceiling goes up or down that can be adjusted without the necessity of adding positions or of taking positions away, through use of the working-level flexible jobs.

25X1A9a [REDACTED] Would it be fair to say that the limited jobs control the structure whereas the limited jobs plus the flexible jobs control the total numbers authorized on duty?

25X1A9a [REDACTED] Yes.
You can't change the organizational structure, because the limited positions fix that and establish that.

25X1A9a [REDACTED] Yes. If you want to establish a new branch or break the branch into two pieces, you still have to go through a normal review on that.

MR. STEWART: This will cut down on the T/O changes tremendously.

25X1A9a [REDACTED] I think we have got something here. I have been hoping for something like this for a long time.

COLONEL WHITE: I don't think anyone said anything about something which is contemplated and that is eliminating all these individual requests that come in on the T/O changes. We would hope you would just come in and review the T/O once a year and make the necessary adjustments, without the formal submission of any requests.

25X1A9a [REDACTED] Unless there is a major reorganization, in which case you have to start from scratch.

25X1A9a [REDACTED] This system proposes a quarterly review by Management and Personnel, which is done almost automatically by looking at the T/O, and if we

~~SECRET~~

~~CONFIDENTIAL~~

feel something is getting out of whack we talk to your Division Chief or somebody like that.

25X1A9a

[REDACTED] Because the way the system is now I have almost gotten out of communication with it, because we can never remember whether we are talking T/O or personnel, and the relationship between the two is almost unrecognizable.

25X1A9a

[REDACTED] Is there a provision also contemplated or included--your paper here refers to an Area Division--how about flexibility for moving people from one Area Division to another when a crisis occurs or there is a legitimate need for it?

25X1A9a

[REDACTED] That would be done separately from flexible position to flexible position by personnel actions, provided the Divisions stayed within ceiling. The ceiling, however, would be controlled by the DD/P and he could shift that ceiling if necessary. Because in DD/P, unlike Commo, you would have probably one Development Complement. This doesn't presume a separate Development Complement for each separate Division and Staff. The Development Complement is keyed into the Career Service. If a Personnel man, for example, in DD/P, went into training, he would come to the Office of Personnel's Development Complement. It would mean that we would have to budget for the Development Complement at the Career Service level.

25X1A9a

[REDACTED] I'd like to retract what I said about the awards and

25X1A9a

recommend [REDACTED] for an Arthur S. Flemming award. [Laughter]

COLONEL WHITE: These are three things which you haven't got but you still have a ceiling, which is the combination of all three of these, and there won't be any increase in ceiling to accommodate a Development Complement. You still have classification review by the Personnel Office and you still have an average salary problem, which is a budget problem--which are still centrally held.

MR. CAREY: What is the difference between this and the old business of having a T/O and a ceiling below the T/O but being allowed to operate in the difference?

25X1A9a

COLONEL WHITE: This cleans it up so you can tell who is doing what.

[REDACTED] You know where you stand with this system.

COLONEL WHITE: You [indicating Mr. Carey] don't have the problem so much, but in Dick's area--it's not so bad now but it has been, that when you tried to figure out how many people you have got in the Far East and a statistical

~~SECRET~~

~~CONFIDENTIAL~~

~~SECRET~~

~~CONFIDENTIAL~~

report would show one thing and then you would find [REDACTED] on field T/O's 25X9
that haven't been quite transferred because they don't know where they are going
to be used yet. Now this would make it very clean - how many people here, how
many in the field.

25X1A9a [REDACTED] This encourages accurate slotting of people. You don't
have to carry a man in the field after he gets back here.

25X1A9a [REDACTED] It gives some controls. It gives the supervisor an oppor-
tunity to correct some abuses. The way it is now, it's like putting your finger
into a sponge.

25X1A9a [REDACTED] In the DD/I where the Career Services and the Operating
Components are synonymous it makes little difference, but it makes a terrific
difference in the DD/P and the DD/S.

25X1A9a [REDACTED] It's got my vote.

25X1A6a COLONEL WHITE: You [REDACTED] indicating Mr. Carey] could shift say three
positions from [REDACTED], if you wanted to, just by person-
nel actions.

25X1A9a MR. CAREY: That works fine - Part I.

25X1A9a [REDACTED] Will this make a substantial reduction in paper?
[REDACTED] We had this on a trial run in Communications for a year.
One thing which I think is of interest to almost all of you is the movement of
people to get a job done. In this type of T/O at the working levels now, where
you have your flexible positions, it gives you the authority to move your people
merely by personnel action, and the positions you're moving them to are flexible
and in effect are authorized unlimited incumbency. So if you have a changing 25X1A6a
workload, as Tab 1 showed here - changing the workload from [REDACTED]
we moved the people and we moved ceiling along with the people without any hard-
ship, without any authorization required between the Management or the PED Staff.
People and ceiling can be moved to meet a changing workload with minimum paper
work and effort. We found this flexibility, particularly in our work where we
have radio operators and code clerks scattered all over the world, to be the
most advantageous part of this Staffing/Development Complement. The Development
Complement we have used for people while they're in training, when they're not
productive while they're learning and they are not encumbering our work burden
T/O. They remain in the Development Complement until they are assigned and depart

~~SECRET~~ ~~CONFIDENTIAL~~

for a field station or a headquarters' position, where they are slotted.

There is no question about it, you are limited to ceiling. You can't use the T/O to get more people on duty than you are authorized. The minute your on-duty strength hits your ceiling, you have to stop. But it does give you mobility within that ceiling to put these people where you need them to do the work, without a lot of paperwork and without a lot of approvals on the outside, and without the blessings of Management and PED in those cases where the positions are working-level positions.

25X1A9a [REDACTED] And this has a bearing on the basic documentation, you might say, the historical record of each individual. There probably isn't anybody in this room who hasn't been slotted "for slotting purposes only," and the slotting shows you were at a station and you were never there at all. This new system eliminates the necessity for that. It is no longer necessary, just to provide sort of a voucher device to enable a man to get a paycheck, to slot him in a place to which there is no intention of his going. That fouls up the entire personnel record of that individual for all time.

MR. STEWART: That was quite a serious fault.

25X1A9a [REDACTED] In developing the Profiles we found people had been all over the map, according to the official record. They never set foot there, but that was necessary by reason of our old, archaic system, as John points out.

COLONEL WHITE: The only thing a Station used the T/O for--they picked one that had numbers on it so the number was old enough so they would be sure to get paid with it, otherwise the T/O didn't mean very much.

MR. CAREY: What is the action to be taken on this item?

MR. STEWART: I was going to say we will go ahead on the recommendations unless there is dissent. Is there any dissent in these recommendations?

[No dissent.]

25X1A9a [REDACTED] In addition, we will process the regulation which puts this into effect formally.

MR. STEWART: That will be processed and cleared through. That is the next step.

. . . The meeting adjourned at 4:50 p.m. . . .